

ORDINANCE NUMBER O-19266 (NEW SERIES)

ADOPTED ON MARCH 8, 2004

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SAN DIEGO AMENDING CHAPTER 12, ARTICLE 5, DIVISION 4, OF THE SAN DIEGO MUNICIPAL CODE BY AMENDING SECTIONS 125.0430, 125.0431, AND 125.0444; AMENDING CHAPTER 12, ARTICLE 5, DIVISION 6, BY AMENDING SECTION 125.0640; AND AMENDING CHAPTER 14, ARTICLE 4, BY ADDING DIVISION 5 TITLED "CONDOMINIUM CONVERSION REGULATIONS," AND BY ADDING SECTIONS 144.0501, 144.0502, 144.0503, AND 144.0504, ALL RELATING TO CONDOMINIUM CONVERSIONS.

WHEREAS, the Council of the City of San Diego has declared a State of Housing Emergency due to the lack of housing supply and affordable housing in the City; and

WHEREAS, the City Manager and Council of the City of San Diego established an Affordable Housing Task Force to recommend measures to respond to the shortage of housing supply and affordable housing in the City; and

WHEREAS, the Affordable Housing Task Force recommended specific regulations for condominium conversions to minimize negative impacts to tenants of units undergoing conversion and to ensure that conversions contribute to the supply of affordable housing in the City; and

WHEREAS, a large number of condominium conversions are occurring in the City of San Diego; and

WHEREAS, condominium conversions are resulting in economic hardship for many existing tenants of low and moderate incomes who are displaced; and

WHEREAS, the City has a critical ongoing need for to maintain a supply of housing affordable to low and moderate income families; NOW, THEREFORE,

BE IT ORDAINED, by the Council of the City of San Diego, as follows:

Section 1. Chapter 12, Article 5, Division 4, of the San Diego Municipal Code is amended by amending sections 125.0430, 125.0431, and 125.0444, to read as follows:

§125.0430 **Decision Process for a Tentative Map**

An application for a *tentative map* may be approved, conditionally approved, or denied in accordance with Process Three for *tentative parcel maps* and Process Four for *tentative final maps* except for those *tentative maps* that include proposals for the vacation of *public rights-of-way* or the abandonment of *public service easements*, which shall be reviewed in accordance with Process Five.

§125.0431 **Additional Notice for a Condominium Conversion Map**

(a) For a *tentative map* for a *condominium conversion* project, the *subdivider* shall provide the following notices in addition to the notice provided for in Chapter 11, Article 2, Division 3 (Notice):

- (1) Notice to each tenant of the proposed project required in the *Subdivision Map Act* section 66427.1; and
- (2) Notice to each person applying for the rental of a unit in the proposed project required in Chapter 11, Article 2, Division 3 (Notice) and *Subdivision Map Act* section 66452.8;
- (3) A summary of the tenant benefits provided pursuant to section 144.0503.

- (b) The notices required in section 125.0431(a) shall include a statement advising the tenants that should the *condominium conversion* be approved, tenants may be required to vacate the *premises*.

§125.0444 Findings for Tentative Maps for Condominium Conversion

The decision maker may approve a *tentative map* for a *condominium conversion* project, if the decision maker makes the following *findings*, in addition to those required in section 125.0440:

- (a) The notices required by section 125.0431 have been given in the manner required;
- (b) The project was not financed by funds obtained from a governmental agency to provide for elderly, disabled, or *low income* housing; and
- (c) For any project that was developed to provide housing for the elderly, disabled or to provide *low income* housing, provisions have been made to perpetuate the use for which the project was developed.

Section 2. That Chapter 12, Article 5, Division 6, of the San Diego Municipal Code is amended by amending section 125.0640, to read as follows:

§125.0640 Approval Requirements for a Final Map

- (a) through (b) [No change.]
- (c) In order to approve a *final map* for a *condominium conversion*, the City Engineer shall find that:
 - (1) The *subdivider* has given tenant notice in accordance with section 125.0431;
 - (2) The *subdivider* has provided the tenant relocation benefits required by Chapter 14, Article 4, Division 5 (Condominium Conversion

Regulations) or has entered into an agreement with the City pursuant to section 125.0640(b) to secure provision of the tenant relocation benefits; and

- (3) The *applicant* has complied with all applicable tenant relocation requirements.

Section 3. That Chapter 14, Article 4, of the San Diego Municipal Code is amended by adding a new Division 5 titled “Condominium Conversion Regulations,” and by adding new sections 144.0501, 144.0502, 144.0503, and 144.0504, to read as follows:

Division 5: Condominium Conversion Regulations

§144.0501 Purpose Of Condominium Conversion Regulations

The purpose of these regulations is to provide for the conversion of apartments to condominiums while, at the same time, protecting the interests of tenants by giving them notice of the proposal and assuring specified tenants that during times of tight rental markets there will be provided reasonable assistance in relocating their places of residence. It is also the intent of these regulations that tenants of *condominium conversion* projects be given adequate notice of any such proposals.

§144.0502 Fees And Deposits

In addition to the fees required by Chapter 11, Article 2, Division 2, Fees and Deposits, the *applicant* shall deposit with the City an amount equal to \$200 for each unit proposed to be converted which is occupied by a tenant eligible for relocation assistance. The funds shall be used by the City of San Diego to reimburse the Housing Commission for its costs incurred in monitoring compliance with the obligations set forth under this division and in providing

technical assistance to assist eligible tenants in their relocation. If the costs incurred by the Housing Commission exceed the amount deposited by the *applicant*, an additional deposit shall be made by the *applicant* equal to the original deposit. Nothing contained in this division shall impose a duty upon the City or the Housing Commission to pay any relocation benefits to eligible tenants.

§144.0503 Tenant Benefits, Rights And Obligations

- (a) The *subdivider* of a *condominium conversion* project shall provide the benefits specified in section 144.0503 to any person whose tenancy in the project the *subdivider* terminates due to the *condominium conversion*.
- (b) The *applicant* shall provide a relocation assistance payment equivalent to three months' current rent to all tenants of the project whose income is less than 100 percent of area median income (as calculated by the U.S. Department of Housing and Urban Development for the San Diego Standard Metropolitan Statistical Area). The relocation payment shall be paid no later than the day on which the *applicant* gives notice to the tenant to vacate the *premises*.

§144.0504 Vacancy Rate Determination and Suspension of Relocation Payment

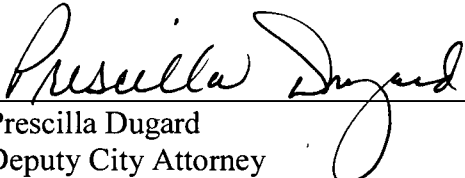
- (a) On or before April 1, 2005, and each year thereafter, the Planning Commission shall determine that if the average vacancy rate for residential rental units exceeded seven percent on a City-wide basis for the previous calendar year, then the payment of relocation benefits pursuant to section 144.0504(a) shall not apply to *condominium conversions* in the calendar year starting April 1 of that year.

- (b) Planning Department staff shall submit to the Planning Commission in March of each year a report identifying the vacancy rates for residential rental units in the City as of January 1 of that year, and July 1 of the preceding year. The report shall also include an annual average. The report is to be based on the results of a survey of rental apartments to be taken during the months of January and July of each year, plus any other information regarding vacancy rates submitted to the Planning Commission by other governmental agencies and other interested parties.

Section 4. That a full reading of this ordinance is dispensed with prior to its final passage, a written or printed copy having been available to the City Council and the public a day prior to its final passage.

Section 5. That this ordinance shall take effect and be in force on the thirtieth day from and after its passage.

APPROVED: CASEY GWINN, City Attorney

By 
Prescilla Dugard
Deputy City Attorney

PD:dm:cdk:dm
12/01/03
01/26/04 COR.COPY
02/05/04 REV.
04/16/04 COR.COPY2
Or.Dept:Plan.
O-2004-58